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A Review of the
Bureau of Land Management's
Energy Facility
Permitting Process

April 1981



U. S. Department of the Interior
Bureau of Land Management

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A REVIEW OF THE BUREAU OF
LAND MANAGEMENT'S ENERGY FACILITY
PERMITTING PROCESS

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A REVIEW OF THE BUREAU OF
LAND MANAGEMENT's ENERGY FACILITY
PERMITTING PROCESS

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EXECUTIVE SUMMARY

The goal of this study was to review the energy facility permitting program and to identify potential changes which the BLM can readily influence and/or implement to improve the program.

PRESENT SITUATION

Substantial improvements have been made recently, giving BLM the ability to process energy facility permits much faster than ever before. The most notable improvements are:

- o Full application of new Council on Environmental Quality (CEQ) Regulations for NEPA
- o Creation of the Office of Special Projects (OSP)
- o Use of third party contractors for EIS preparation
- o Printing of Environmental Impact Statements (EIS) by the applicant, rather than GPO
- o Delegation of EIS filing authority to State Directors
- o Delegation of right-of-way granting authority to District Managers

WAYS TO IMPROVE

A wide variety of ways to fine-tune the permitting process were found and are discussed in the report. Some of the findings and recommendations are of the "nuts and bolts" variety of primary interest to technicians involved in the actual preparation of documents. Other findings and recommendations range up to Departmental level and beyond. Some of these are:

- o Need for a Departmental level coordinating committee to quickly resolve issues involving major projects.
- o Better interagency cooperation needs to be developed, especially with Federal Energy Regulatory Commission (FERC) which has permit responsibilities for oil and gas pipelines.

- o Reimbursable funding techniques need to be improved. Better cost control and cost accounting procedures are needed. Funding restrictions on travel and mileage for major energy projects should be removed.
- o The BLM organization needs tightening. The State Office organization needs to be reviewed to see if the special staff concept is needed. The Office of Special Projects is operational but needs role definition to improve relationships with other Bureau offices.
- o The role of Project Manager throughout the Bureau needs to be strengthened. Project managers should be assigned for the life of a project and be given more authority to represent BLM.
- o The preapplication process provided the greatest room for improvement. This will call for closer coordination with applicants, State governments, etc.
- o Standardization of application forms, right-of-way grants, special stipulations, and appraisals is needed.
- o The BLM needs to reexamine its application of the Historic Preservation Act and the Endangered Species Act.

The Federal Land Policy and Management Act (FLPMA) of 1976 and the Mineral Leasing Act of 1920 (amended 1973), provide authority and requirements for BLM to issue grants for and manage all types of rights-of-way projects on the public lands. For oil and natural gas pipelines, BLM has this responsibility wherever the right-of-way crosses two or more Federal agencies. Thus, even if no BLM lands are involved, BLM must issue the right-of-way grant.

Each year, hundreds of right-of-way applications are processed. Most of these are for waterlines, telephone lines, electric hook-ups, and access roads. At any given time, however, BLM is responsible for processing about 20 "major" energy-related applications. These applications are for a wide variety of proposals such as oil shale production, coal gasification, oil or natural gas pipelines, electric transmission lines, or coal-fired electric generating stations. Coal slurry pipelines and wind powered generating plants are also coming into use.

Major energy projects frequently involve conflicts with national parks or wilderness areas concerning air quality, endangered species, competition for water in the arid west, or other controversial or sensitive issues which bring these projects into the purview of the Director of BLM or the Secretary of the Interior. Because of heavy socioeconomic impacts, State and local governments frequently need to be involved throughout the life of the project.

Processing applications for these energy-related proposals requires an effective use of BLM's managerial abilities in order to comply with the requirements of various Federal, State and local laws, yet do so in a reasonable time frame to meet the Nation's energy needs. Frequently, these projects involve several Federal agencies and State governments, as well as numerous BLM jurisdictions. An environmental analysis (usually an EIS) must be made of the proposed action. This document analyzes the environmental impacts of the proposal and recommends mitigation measures where possible. If, after completion of the environmental review the decision is made to proceed, a right-of-way grant is prepared. The preparation process includes a review of all land records pertaining to the project to assure that issuance of the grant will not interfere with existing uses. Mitigating measures previously agreed to in the decision process are be translated into special stipulations to be used in preparing the grant. Finally, the land must be appraised and a fair market rental value determined. Upon issuance of the grant, BLM personnel must monitor the actual construction to assure compliance with terms of the grant.

This entire process takes from one to three years depending upon the complexity of the proposal, the number of controversial issues, and the number of governmental and private entities involved.

The purpose of this study was to examine BLM's energy facility permitting process, to identify whether there are steps which BLM can take or encourage which would result in saving time and money for applicants and other parties; and reduce or eliminate unnecessary delays in obtaining Federal decisions on permit applications.

The study objectives include: 1) the faster processing of applications while still complying with the spirit and letter of existing laws; and, 2) the savings of time and money for energy producers, consumers, and BLM, alike.

Findings and recommendations for this study were received from several sources. Interviews were conducted with six BLM State Offices, with a number of State and other Federal agencies, and with a wide representation of the energy industry. The energy industry was particularly helpful. Appendix A lists the names of all the persons contacted during interviews. The permitting process was reviewed and analyzed by all these entities. Recommendations made by interviewers for managing and processing energy projects were examined. The Study Team analyzed all recommendations made. The team accepted some and rejected others based on feasibility of implementation.

The study provides recommendations, which for the most part, can be implemented by BLM. However, some recommendations are presented that are outside BLM's realm of responsibility, such as areas pertaining to energy industries or other agencies and should be brought to the attention of the Department and other Federal agencies.

The Study Team consisted of representation from various BLM Headquarters offices. Appendix B provides a full listing of those team member.

HISTORY

Increasing attention has been directed toward Federal agency performance in managing decision processes for major energy projects, since the 1973 oil embargo. Beginning with the national debate on the Trans Alaska Pipeline, which was resolved with Congressional passage of special legislation, industry has charged that inefficiencies in Federal permitting processes have delayed needed projects and contributed to greatly increased project costs.

During the spring and summer of 1980, these concerns were reflected in Congressional consideration of legislation which would have established an Energy Mobilization Board (EMB), charged with overseeing decision-making on some designated "critical" projects according to a streamlined, "fast track" schedule. EMB legislation was not enacted. However, its endorsement by President Carter and passage in various forms by both Houses of Congress, reflected a degree of acceptance of the view that nothing short of centralized, Federally-dominated controls would suffice to obtain timely Federal decisions involving major energy projects. It is possible that the eventual failure of the EMB concept resulted from a recognition that establishing and enforcing decision schedules under Federal authorities in Washington was in direct conflict with the goal of developing cooperative decisionmaking with State and local authorities. The concept was also contrary to the management philosophy which favors delegating authorities to "on-the-ground" officials to the maximum extent possible.

While the EMB proposal was under consideration, the Interior Department undertook a review of what internal Departmental organizational arrangements would be needed both to manage communications with an EMB and to assure timely decisions on major energy projects. In September 1980, then Under Secretary James A. Joseph, decided against designating a single Assistant Secretary with responsibility for all Departmental critical energy facilities, projects. Thus he reject a centralized approach as being inconsistent with the delegated direct line authorities of Departmental officials. Instead, he established a Critical Energy Facilities Coordinating Committee responsible for identifying and resolving procedural problems which could result in delays in decisions on permit applications for major projects.

Within BLM, numerous actions have been taken in recent years to improve the Bureau's performance on major project permit decisions. With permitting processes, as with other programs, BLM has emphasized decisionmaking at the local level whenever possible, and has stressed public participation and cooperative relations with State and local authorities. Despite these efforts, problems with managing energy project permitting processes remain, and delays in arriving at decisions have continued to occur.

As few as five years ago, BLM was continuing to struggle with the issuance of energy-related rights-of-way and compliance with the

National Environmental Policy Act of 1969 (NEPA) and other related legislation.

Early attempts at compliance with NEPA resulted in voluminous EIS documents. Each proposed energy project usually resulted in an EIS being written. EIS teams were set up and team leaders appointed. Frequently, technicians had to be recruited from other BLM offices or hired from outside, thus causing delays from the outset. Direct reviews and approvals were required by BLM Washington Office and the Office of the Secretary, with final EIS approval given by the Secretary. Relations with State governments and knowledge of their respective requirements were limited. State and local laws often overlapped, creating a nearly impenetrable maze of environmental reviews and required permits. Major projects were abandoned and the government's environmental review and permitting process was blamed (at times unjustly) by the energy industry and the public.

RECENT IMPROVEMENTS

Within the past two years, several positive steps have been taken which have drastically improved and shortened the environmental review and permitting process by as much as 50 percent. These improvements have been made through new regulations, policies, and procedures. Equipped with these improvements, BLM is now able to receive and process right-of-way applications and their subsequent environmental reviews in a much shorter time frame while still meeting the letter and intent of all laws. Projects such as the MAPCO pipeline and the Anaconda Nevada Molybdenum Mine, were completed well ahead of schedule using the new guidelines.

The improvements made within the recent past include:

- o The Council on Environmental Quality (CEQ) issued regulations to implement NEPA. These regulations, issued in November of 1978, were subsequently adopted by the Department of the Interior including the BLM. The regulations reduced the size of the EIS to readable proportions, focused the attention on key issues, and encouraged the use of time-saving techniques designed to increase efficiency of environmental analysis while improving the quality.
- o BLM created the Office of Special Projects (OSP) (July 1979). This Office provides a core of professional expertise to write and coordinate EISs for complex, controversial, multi-state energy projects. OSP offers high-level coordination for these projects with direct line communication to the Director and the Secretary. In addition, the Office contains full time EIS teams consisting of various resource specialists, production staff, and team leaders.
- o BLM authorized the use of third party contractors for EIS preparation. These contractors, though selected and supervised by BLM, are paid directly by the applicant, thereby avoiding cumbersome and time-consuming government contracting procedures. The use of third party contractors greatly expedites the energy facility

permitting process for several reasons. First, by assigning EIS work to these contractors, BLM does not have to take time and money to recruit the necessary personnel. Second, the contractors are already geared up specifically for handling EIS work. Third, the applicant can speed up deadlines imposed on the contractor much easier than deadlines imposed on BLM. This can be done by authorizing overtime, increasing payments, or allowing temporary personnel increases.

- o BLM authorized printing of EISs by the applicant (whenever an EIS is prepared by a third party contractor), rather than going through the Government Printing Office (GPO). This authority, granted in January 1980, also assisted in expediting the process by removing one less entity to go through before making printing arrangements. GPO does utilize private printers, however, by allowing arrangements to be made directly by the applicant, considerable time is saved.
- o BLM delegated rights-of-way granting authority from State Directors down to District Managers. In January 1980, this order reduced another level of review and approval in the permitting process and thus, saved time and money. Because of a lack of trained personnel at the District level, this delegation is not yet in effect in all States.
- o EIS filing authority for lands and rights-of-way actions was delegated to BLM State Directors in April 1980. This policy removed the need for BLM Washington Office and Departmental review and approval of most EIS's. Detailed instructions for these EIS filings were provided in Instruction Memorandum Number 80-541, dated May 30, 1980. This change in filing authority (from Washington to the State Offices) further expedited the EIS process by eliminating one level of coordination.

NEED FOR MORE IMPROVEMENT

Even considering these improvements in the Energy Facility Permitting Process, there is still room for refinement—the energy industry agrees with this. This is the thrust of this report. Some of the above accomplishments are discussed in more detail in this study under the pertinent phase of the Energy Facility Permitting Process.

Some of the recommended improvements involve nothing more than making certain that all available time and cost-saving techniques are indeed being used and being used efficiently. Other changes proposed include using new techniques or management procedures which would reduce processing time. A savings of even a few weeks during BLM's role in an energy project can result in large dollar savings to the customer.

The remainder of this report discusses findings and recommendations for improvement in the Bureau's Energy Facility Permitting Process. Recommendations are proposed under the following chapters and sections within each chapter:

Chapter III - Management of Energy Projects

- o Departmental Review and Decisionmaking
- o Lines of Communication
- o BLM Organization
- o Project Manager
- o Priority of Projects
- o Coordination with Other Agencies

Chapter IV - Procedures for Processing Energy Projects

- o Standardization
- o Overall Permitting Requirements
- o Project Funding
- o Reviews
- o Preapplication
- o Third Party Contracting

Chapter V - Industry Responsibilities

- o Exchanging Information
- o Changes in Proposed Action and Alternatives

The finding and recommendations contained in Chapters III, IV and, V have been numbered sequentially throughout for ease of reference.

Chapter III - MANAGEMENT OF ENERGY PROJECTS

This Chapter discusses possible ways BLM (and other Federal agencies) can improve the Energy Facility Permitting Process through better management of energy projects. Ways for improvement are explored under the following management section:

- o Departmental Review and Decisionmaking
- o Lines of Communication
- o BLM Organization
- o Project Manager
- o Priority of Projects
- o Coordination with Other Agencies

DEPARTMENTAL REVIEW AND DECISIONMAKING

Finding No. 1 - There is A Need for Departmental Involvement in Major Energy Proposals which are Controversial or Difficult.

Major energy-related projects frequently involve sensitive or controversial issues including environmental conflicts, socioeconomic issues, and several layers of government. For this reason, these projects are discussed at the Washington level by the BLM Directorate, the Secretary, and even the President. Thus, even though there is strong effort underway to delegate authority to those BLM officials closer to the proposed action and to include State and local authorities in the decisionmaking process, there must be continual awareness at the Departmental level of the status and problems of each of the major proposals.

When projects involve several agencies within the Department (e.g., Park Service, Fish and Wildlife Service, and BLM) there is a need to brief each Assistant Secretary and to coordinate decisions that resolve conflicts between various agencies. Thus, multi-layered decisionmaking can be slow and cumbersome.

A Departmental Critical Energy Facilities Coordination Committee was established and helped to resolve problems associated with the Allen-Warner Valley project.

Recommendation No. 1 - A Coordinating Committee at the Departmental Level Should be Continued.

A Departmental Coordination Committee consisting of representatives of each Assistant Secretary concerned with resource management, should be continued to serve as a forum for bringing interbureau coordination problems to quick resolution.

Ideally, this committee would meet only as necessary--to be briefed on major projects or to resolve conflicting issues and provide guidance for decisionmaking on a particular project. Regularly scheduled meetings might tend to create unnecessary work by requiring reports, briefings, etc., merely to fill out an agenda.

LINES OF COMMUNICATION

Finding No. 2 - There is, At Times, Poor Communication On The Status of Major Energy Projects (Problems, Up-to-Date Information) Between Washington, State, and District Offices.

BLM does not have one single office in charge of managing and monitoring energy projects for the Bureau. As a result, problems have occurred. The problems occurred either when BLM in Washington was unaware of issues that were identified at the field level or, when the field was unaware of issues or concerns identified at the Washington level (Directorate/Secretarial level). When problems arise resulting in delays the applicants (or other involved parties) frequently voice their complaints at Secretarial or Congressional levels. Thus, the Washington Office loses the opportunity to help solve the problem and, often, their first awareness of the problem is when a crisis situation exists. This situation occurs for several reasons:

1. The Division of Rights-of-Way and Project Review lost much of its monitoring capability When EIS filing authority was delegated to the State Offices.
2. Attempts at a monitoring system have been tried, but have not been completely successful.
 - The Critical Issues Management System (CIMS) works for those projects it monitors, but is not recognized by the field as a beneficial system at their level.
 - The Office of Special Projects (OSP) monitors the issues and problems on its assigned projects, however, State Offices are not always advised of the status of these projects.
 - The Departmental Critical Energy Facilities Coordinating Committee, planned to develop a tracking system to supplement the CIMS system, but no system has been developed yet.
 - The preparation plan (required for all EISs) contains information which could be used to track the progress of EISs. However, The plan does not contain informaton about pre-application or grant issuance steps. Preparation plans are not currently included in any monitoring process.

Recommendation No. 2 - A Tracking Communication System Should be developed and Monitored by The Same Office That Will Have Overall Responsibility for BLM's Energy Projects.

The development of such a system would be of benefit to all offices in BLM. The system would be built as an aid which enhances the authority and accountability of the on-the-ground manager. It would also provide better communication (vertically and horizontally) with the Bureau and the Secretary to help solve problems if high level intervention is needed to prevent delays.

With a good Tracking Communicating System, the concept of on-the-ground management makes sense. Personnel involved in projects would be encouraged to report issues and problems that cannot be resolved at the field level to the Washington Office. Likewise, management would ensure that problems and concerns (political or otherwise) are identified to project personnel in the field.

A critical path schedule should be part of the tracking communication system. The critical path schedule should include key milestone target dates for both the applicant and BLM and lists of potential issues and problems. The critical path schedule should consider relationships between the various decisionmakers and procedures for the processing of the project.

Appendix C explores the characteristics and options for such a Tracking Communication System.

BLM ORGANIZATION

State Offices

Finding No. 3 - Some BLM State Offices Seem to Be More Responsive Than Others In Processing Unprogrammed Energy Project Applications.

Some State Offices have maintained a more traditional organizational structure with one or more EIS teams (usually located in the District Offices) which are responsible for writing all required EIIs, including those for energy-related projects. Other States have established project management staffs with responsibility for energy-related projects. These staffs, although similar in nature, have basic differences. Some report to the Chief, Planning and Environmental Coordination; some to the State Director; some to the Chief, Division of Technical Services, and still others are located in District Offices.

Those State Offices which have created separate staffs seem to be more responsive to unprogrammed project demands than do the offices with the more traditional organization. However, these staffs have been in place for such a short period of time, that this observation has not been tested quantifiably.

Recommendation No. 3 - The Division of Management Research (WO 840)
Should Review The Relative Efficiency of The Special staff Concept.

The Division of Management Research is scheduled to begin a study of the BLM, State Offices in early CY 1981. As part of this effort the efficiency of the special staff concept should be studied and recommendations made.

The study should recognize the following:

- o Not all State Offices may need to establish a special projects staff. As manpower shortages become more critical, it will be necessary to share resources, or even assign lead responsibility to a State whose lands are minimally or not involved at all.
- o There is a natural tendency for these staffs to expand beyond the original field of operations in order to keep all staff fully occupied. Then, if there is sudden demand in the basic mission, more personnel are needed to meet the demand.

Finding No 4 - In the Future, There Will Be A Need To Improve Efficiency, Share Manpower Resources, and Sacrific Some Priorities.

In nearly every state office visited, it was felt that the current staffing levels are at, or very near to capacity for current workload. If there is an increase of activity in the energy facility field, then additional staff must be provided or BLM may encounter a crisis situation.

Recommendation No. 4 - Offices Responsible for Critical Energy-Related Projects Should Work Together to Assure That All Available Resources Are Being Used Efficiently.

The greatest possible use must be made of staff efficient methods, such as third party contracting and closer cooperation (including sharing of personnel) with State governments or other BLM State Offices. There may be a need to shift personnel from lower priority work to the more critical energy-related projects. State Offices should work closely with each other and the Office of Special Projects to assure that all available resources, including personnel, are being used most efficiently. Skill-sharing should save both time and money.

Office of Special Projects (OSP)

Finding No. 5 - The Office of Special Projects is Staffed and Working; But There is Friction Between OSP, Other Washington Offices, and With Some BLM State Offices.

The Office of Special Projects was created approximately 1 1/2 years ago and was designed specifically to provide Washington Office coordination and EIS preparation capability for large, sensitive projects which demand close attention and strong leadership. The Office is now fully organized and staffed, and is fulfilling its mission. It emphasizes the concept of strong, full time coordination and has direct line communications with the Director and Secretary levels. There are some areas that need to be improved in order to make OSP fully effective.

At the present time, when an applicant first presents a project proposal, the lead designation is proposed by the Division of Rights-of-Way and Project Review and reviewed by OSP. Projects are assigned either to an individual State Office or to OSP based upon complexity of the project and availability of personnel. On occasion there is competition between OSP and a State Office for lead designation on a proposed project. The result is that an option paper must be developed to aid the decisionmaking process in project assignments. This results in delays (sometimes several weeks) before an assignment is finally made. The delays are usually caused by disagreement over adequacy of option descriptions and in arriving at a joint recommendation. OSP's role needs to be better defined so it is clear when an option paper is needed and who should prepare it.

There are also some problems which exist between OSP and certain State Offices. The most common cause for complaint by these State Offices is that OSP operates independently of State Offices when discussing projects concerning their states. It is felt that OSP makes contacts with State government officials or applicant representatives without notifying the State Director or his staff. On the other hand, since it is OSP policy for all contacts with State government officials to be made only through a State Office contact, OSP feels there has been failure on the part of the State Office contacts to keep the State Directors informed. It is also felt by a few State Offices that OSP should work as a contract EIS writer/coordinator for the involved State Director and should not operate as an independent entity.

Recommendation No. 5 - The OSP Role Statement Should be Completed Approved and Provided to The Field For Guidance.

There is a need for a definition of the role of OSP and a statement regarding its place in the BLM organization. The OSP role statement should address project lead designation and the proper use of option papers. Once the role statement is completed and approved, it should be given wide distribution throughout the BLM.

In addition, special effort must be made by OSP and State Offices to ensure good communications and coordination exists in the future.

A representative of OSP should visit each State Director and key staff members, explain how OSP works, and explore various alternatives which would make the most efficient use of available personnel and resources to expedite processing of energy-related applications.

PROJECT MANAGER

Finding No. 6 - Frequently, Project Managers for Energy Projects, For Both BLM and Industry, are Not Appointed for the Duration of the Project Nor Do They Carry Adequate Authority.

Within the BLM there is frequently no single initial contact for preapplication activity. The project manager, when assigned, may not always be given responsibility for the length of the project (including the decision process, the preparation of the right-of-way grant, and compliance). The project managers also generally lack sufficient

authority to commit BLM to particular actions or to assure cooperation from other agencies and participants in the process. The lack of responsibility and authority often causes delays in the process resulting in losses of both time and money for all involved parties.

In addition, for those projects which do not follow a strong project manager concept applicants are concerned that there is a lack of adherence to time tables and cost estimates. Applicants find it difficult to deal with constantly changing "ground rules" (e.g. estimates of time and money).

Finally, industry project manager systems have similar shortcomings. The project manager changes with the various phases of the project. Many times this person cannot speak with authority for the company. Therefore, minor and major issues must be approved through the company's hierarchy, causing undue delays. Also, applicants do not coordinate data or information submitted by their various representatives. For example, an EIS team has received four or five different descriptions for a project component from each of the applicants' involved subsidiaries.

Recommendation No. 6 - Project Managers, For Both BLM and Industry Should Be Appointed for the Duration of a Project and be Given Adequate Responsibility and Authority.

The role of the project manager within BLM needs to be examined, restructured, and coordinated with the office responsible for managing energy projects. A career position of "Project Manager" with pay level commensurate with responsibility should be established. State Offices need experienced personnel, available on demand, to serve as project managers for achieving quality product (EIS or right-of-way grant) needed for successful completion of the project. When an applicant first enters into preapplication discussions with BLM, a project manager should be assigned with the expectation that he/she would remain in that position through the entire life of the project.

Management support should be provided to enhance the project manager's ability to obtain full cooperation from all participants. The project manager should be given the maximum allowable authority in order to exercise managerial control over all project-related activities. An example of a strong project manager system is that employed by the Office of Special Projects.

A definite responsibility of the project manager should be the establishment of a reasonable timetable and cost-control measures. The preparation plan should not be approved by the Authorized Officer (State Director/BLM Director) without these key items. The project managers' performance evaluation should measure his/her effectiveness at managing these items.

In a similar way, industry should appoint one project manager, for the duration of the entire project. This project manager should have adequate authority to make all routine decisions concerning the projects. Decisions which are non-routine or exceptional would still have to be raised for management attention, as would also be the case within the BLM. The project manager should also carry the authority to coordinate issues between the various subsidiary companies which are often involved in these major projects.

PRIORITY OF PROJECTS

Finding No. 7 - Major Energy Projects are not Assigned as the Same Priority To The Various BLM Offices Causing Friction, Wasted Effort, and Lost Time.

The BLM office designated as "lead" usually assumes that its energy project has the same top priority for other involved BLM Offices. In addition, many times a State Office is responsible for two number one priorities, such as a regional coal EIS and an energy facility EIS. Many times one State Office has requested information for their "Number one Priority" from another State Office but has not been provided the information because of inconsistent priority assignments. This has resulted in friction, wasted effort, and lost time in resolving the conflicts.

Recommendation No. 7 - Project Priorities Assigned To Various State Offices Within BLM Should Be Resolved By State Directors.

In order to avoid coordinator problems between the various State offices responsible for managing the energy related projects conflicting priorities should be resolved.

On Projects involving more than one State, the lead State Director must reach agreement with the State Directors from other involved States as to the relative importance of the project.

Project conflicts should be identified as early as possible and included in schedules. In addition, conflicts which cannot be resolved should be identified through the Tracking/Coordination System and may require Washington Office direction or resolution.

COORDINATION WITH OTHER AGENCIES

Finding No. 8 - Coordination and Cooperation Between Agencies Has Created Problems and Delays in the Process, Especially in Joint Lead Situations.

Agencies having differing responsibilities and priorities, are not always responsive to a lead agency's needs. In addition, requirements for permits and environmental analysis change from agency to agency. Some agencies, most notably the Federal Energy Regulatory Commission (FERC), and the Rural Electrification Administration (REA) always assume that they should have lead responsibility, even in joint lead situations on natural gas pipeline projects. In some cases, applications are processed, EISs written, and certificates issued without coordination with other agencies.

Many times BLM has trouble ensuring timely completion of a project due to the reluctance to cooperate and the complex procedures of other agencies.

Recommendation No. 8 - High Level Assistance at the Associate Directorate Level or Above is Needed to Help in Obtaining Cooperative Assistance From These Agencies.

In the case of FERC, special treatment appears to be necessary. Interviewees from FERC stated a general unwillingness to draw up formal cooperative agreements or memoranda of understanding. However, they did express a general willingness to discuss problems which exist. Therefore, it is recommended that high level meetings be held periodically between BLM and FERC management. These meetings should be initiated at the Associate Directorate level or above, and be broadened to include other levels as progress is made. Through these meetings, perhaps the Bureau can increase FERC's willingness to cooperate on these major energy projects and other such projects where both agencies should be involved.

Joint lead situations should be avoided. The use of a joint lead dilutes responsibility and makes it difficult to meet deadlines. Instead, a lead agency approach with cooperating agencies should be used. When cooperative agreements are developed between agencies authorities and responsibilities of each agency should be clearly specified. Time frames for providing data and reviews should also be included.

When BLM is the lead agency, steps should be taken to obtain input, reviews, and mitigation recommendations from cooperative agencies in a timely manner. This would avoid last minute criticisms and objections which could delay a project.

Memoranda of Agreement and the Preparation Plan should include commitments from all involved agencies to meet deadlines. It should be plainly understood that the project may have to be continued without the full involvement of any agency which misses deadlines. If problems occur which require changes in deadlines, then the changes should be agreed to by all parties, including the applicant.

Finding No. 9 - The Designation of Right-of-Way Corridors Would Considerably Shorten The Energy Facility Siting Process.

The Federal Land Policy and Management Act (FLPMA) provides for the designation of transportation and utility corridors on the public lands and the national forests.

Existing and potential right-of-way corridors are currently being identified and evaluated in a cooperative effort by the BLM, the U.S. Forest Service (USFS), and right-of-way users. This effort will result in the creation of corridors in the West. These corridors would have environmental and planning approval for most types of energy right-of-way projects, thus shortening the time required to authorize any right-of-way projects confined to lands within a designated a corridor. However, corridors may be designated only through the BLM's and the USFS's land planning systems, which require a long period of study prior to designation. To date, few corridors have been designated.

Recommendation No. 9 - Transportation and Utility Corridors Should Be Designated As Soon As Possible.

Section 503 of FLPMA and the Regulation 43 CFR 2806, authorizes the designation of an existing right-of-way as a corridor without further review. A less restrictive interpretation of FLPMA, concerning the lands which may be designated as a corridor under this authority, may provide a means to create the major components of the network. In addition, work should continue on major corridor identification as quickly as possible.

Finding No. 10 - Currently State Governments Are Not Involved in The Energy Facility Siting Process Early Enough Nor Extensively Enough.

Currently, duplicate environmental analyses and permitting procedures are carried out on the same projects due to the needs of both BLM and the various involved State Governments.

In addition, State Governments frequently feel left out of the energy permitting process. They complain of being brought into a project far too late to be fully effective in giving proper attention to the environmental, social, and economic well being of their citizens.

State Governments must have a part in their own destinies, and must play a stronger role in the placement of key energy-related projects.

Recommendation No. 10 - A Closer Relationship Should be Pursued Between the States and BLM Which Will Assist in Expediting the Process.

Closer relationships between States and BLM would help by: 1) Encouraging cooperative participation at all stages, 2) helping in meeting state and federal requirements simultaneously, and 3) providing for open communication to identify problems early.

Those State Directors who have not already done so, should arrange meetings with appropriate areas of State Government. Arrangements should be made to assure State involvement from the "early alert/preapplication" stage, onward. Sharing of personnel and expertise in preparing joint-use environmental assessment documents should be considered. The Utah Interagency Task Force and the Colorado Joint Review Process are examples of State/Federal Coordination which has worked well.

Finding No. 11 - Sometimes There are Conflicts Over Which Agency Should Have Lead Responsibility.

Frequently, BLM assumes lead responsibility even though BLM land-ownership is quite limited. Since the Mineral Leasing Act of 1920 requires BLM to issue the right-of-way grant for oil and natural gas pipeline projects involving two or more Federal agencies, this is sometimes interpreted to mean that BLM should have the lead in EIS preparation. However, the law does not state the agency issuing the right-of-way or permit must assume lead responsibility for the project.

In the past, BLM has assumed lead agency responsibility only to find that the project drained scarce manpower resources and subjected BLM to intense public pressure. This is unwarranted on projects where BLM land management responsibilities are minor and places an extra burden on the Bureau which is not necessary.

Conversely, there have been cases east of the 100th meridian where BLM should have issued a right-of-way permit, but neither the applicant nor the Federal agencies involved had informed the Bureau of the existence of the project. The permits issued by these other agencies could be in violation of the law and could be overturned in court if challenged.

Recommendation No. 11 - BLM's Responsibilities Related to The Mineral Leasing Act of 1920 Should be Clarified to Insure BLM's Involvement in Issuing Rights-of-Way, But Not Necessarily BLM's Lead For Preparing the EIS.

The legal responsibilities related to the Mineral Leasing Act of 1920 should be examined to identify when it is proper for the BLM to assume lead responsibility for a project.

In those instances where BLM has little or no land ownership, there is little purpose in having BLM assume the lead on EIS preparation. The EIS should properly be prepared by the major land management agency with BLM's involvement limited to assuring that mitigation measures can be readily and accurately adapted to the special stipulations in the right-of-way grant.

To avoid the potential problems resulting from BLM uninvolvement in eastern rights-of-way projects, the Eastern States Office should identify the Bureau's jurisdictional responsibility in this area when dealing with State and Federal agencies. In addition, the Eastern States Office should include information about this requirement and about the Bureau's rights-of-way program in public information documents.

CHAPTER IV - PROCEDURES FOR PROCESSING ENERGY PROJECTS

This Chapter deals with procedures, policies, and other information requirements needed to streamline or speed up the Energy Facility Permitting Process. All of the recommendations should be initiated by the Bureau, however, some would have to be developed with either input and/or assistance from outside sources such as other Federal agencies. This Chapter is divided into six (6) sections which are:

- o Standardization
- o Overall Permitting Requirements
- o Project Funding
- o Reviews
- o Preapplication
- o Third Party Contracting

STANDARDIZATION

Finding No. 12 - BLM Currently has No Standard Bureauwide Application Procedures for Processing Rights-of-Way Projects.

There is currently no standard or consistent form or guidelines for industry to follow when preparing applications. Considerable time and money is lost when correspondence (letters, telephone calls, meetings) between BLM and the applicant is necessary to perfect an application.

Misunderstandings and inconsistencies happen when offices and persons require different amounts of information for an application. The same applicant could apply for two similar projects to two different State Offices and be required to provide differing levels of detail for each office.

Industry representatives stated that the level of detail was often too extensive. Industry said this was especially true when the data was requested prior to site selection and that often it was not possible or practical to supply the data until later in the development of the project.

Recommendation No. 12 - Washington Office Should Develop a Checklist of Application Requirements and a Standard Bureauwide Application.

The use of a strong, consistent project manager system, standardized application procedures, and effective preapplication meetings should help to alleviate the problems and confusions associated with the application process.

To improve or speed up the process, the Washington Office, Division of Rights-of-Way and Project Review, should provide a standard checklist with a specific listing of needed data that could be provided to applicants who inquire about rights-of-way. This checklist could be sent to applicants who make written inquiries, and it can be given to applicants at their initial meeting with BLM representatives. In addition, a standard application form should be developed that would simplify data requirements from the applicant.

Finding No. 13 - Currently, There are no Standardized Special Stipulations Which Can Be Used Bureauwide in EISs. In addition, Mitigating Measures Used in EISs Are Often Difficult to Convert Into Special Stipulations.

Special stipulations are developed from field inspections, and the required stipulations for the particular right-of-way are attached to the Decision Record/Rationale when the recommendation to grant the right-of-way application is made. Problems with stipulations are two fold: 1) recommended mitigating measures do not track from the prepared EIS, requiring extra time to convert them into special stipulations and 2) special stipulations must be continually redeveloped even though they may be fairly standard. As field personnel become more familiar with and experienced in preparation of stipulations, the problems tend to disappear. A good set of stipulations from the field may take two hours to review and finalize in grant form, but a bad set requires coordination that may take two to three days to complete.

Recommendation No. 13 - The Washington Office Should Develop Standardized Special Stipulations to be Used Bureauwide and Develop Guidelines to be Used for Writing Mitigating Measures.

To speed the process of developing terms and conditions for special stipulations, a standard set of special stipulations should be prepared by the Division of Rights-of-Way and Project Review for oil/gas pipelines, transmission lines, powerplants, etc. These could be used by field personnel as a checklist, to be certain that all points are covered during the field inspection of the site, and to keep applicants duly advised of those stipulations that will be included in the grant. The next step for field personnel would be to take the field-generated stipulations and prepare a final version for inclusion in the Decision Record/Rationale. The result would be a better, more complete set of special stipulations requiring less review time and revision.

Standardized special stipulations have long been used preparing BLM timber sale contracts. These stipulations, with appropriate blanks available for language to fit localized needs, are written by BLM specialists (e.g. soils scientists, biologists etc.) and meet the approval of the timber industry. This procedure has greatly expedited the contract writing process and are far easier to understand for all involved parties than most individually written stipulations.

In addition, guidelines should be developed which describe how mitigating measures should be written to facilitate conversion into special stipulations.

Finding No. 14 - BLM Currently has No Bureauwide Procedures or Public Information Documents Describing the Rights-of-Way Permitting Process for Energy Facilities.

Most of the public, industry, and local, State, and Federal agencies are generally not aware of the specific requirements and responsibilities involved in issuing permits, certificates, or grants for major energy facility projects. This identification task is usually difficult, if not impossible, for persons working on these

projects. Applicants must now obtain information and guidance directly from BLM personnel, either verbally or through written material prepared by the State Offices.

Each State Office has developed their own set of policies and guidelines, most of which are somewhat different. Because of the lack of uniform guidance, BLM personnel may transmit erroneous or incomplete information. As a result, applicants and the public are often given inconsistent information and guidance, not only from one State Office to another, but also from employees within the same office.

Recommendation No. 14 - BLM Washington Office Should Develop and Issue Standard Bureauwide Procedures and Public Information Documents Describing the Rights-of-Way Process for Energy Facilities.

The Bureau should develop and issue Bureauwide policy guidance which outlines to the State Office how energy facilities siting right-of-way grants are to be processed.

In addition, BLM should also prepare brochures or pamphlets to be used Bureauwide which provide explicit and consistent information to the public regarding right-of-way permits. Such public information documents should describe the permit and EIS process, contain instructions on preparing and submitting an application, and outline the Bureau's procedures for processing an application to the point of issuing a permit or rejecting the application. A brief discussion of the monitoring and compliance process should be included. It should also contain information on funding requirements, and a list of the State Offices where applications may be submitted. This would help companies to prepare applications that meet the Bureau's requirements and would reduce the amount of time required by both BLM and the applicant to refine and perfect applications. Public interest in these kinds of documents has already been demonstrated by the U.S. Army Corps of Engineers, whose Permits Program Guide to Applicants brochure is their most-requested public information document.

Further, BLM State Offices should be encouraged to prepare supplemental documents containing State-specific information, such as land use planning decisions that affect right-of-way grants and the results of corridor studies to supplement the Bureauwide public information documents.

Finding No. 15 - Currently There Are No Standard Bureauwide Procedures For Processing Right-of-Way Grants.

Considerable time is spent preparing original grant for each permit issued. Many of the energy projects BLM deals with are very similar. Because of the lack of standardization, however, grants must be prepared individually. Much of the information contained in the grants issued for pipelines, powerplants, transmission lines, etc., is identical and would lend itself to standardization which would save time and help reduce errors.

In addition, the preparation of a grant is normally started after the EIS is finished. Often enough information is available prior to

issuance of a final EIS to begin preparation of the grant. The simultaneous preparation of grants and EIS's would help to save time in the process procedure. This time saving device has been used and was found to be effective.

Recommendation No. 15 - The BLM Washington Office Should Develop Standardized Grants. In Addition, Grant Preparation Should Begin near the Time Draft EISs are Filed.

The Division of Rights-of-Way and Project Review should develop and standardized grants to be used Bureauwide, especially for energy facility permitting projects. Preprinted forms would eliminate hours or days of repetitive typing and much of the subsequent proofreading. Applicants could be given the preprinted form early in the process to review. This would help to identify questions early in the process. Likewise, the special stipulations for the particular grant could be sent to the applicant by field personnel so that the applicant is totally aware of all requirements before the final grant is issued. This could save considerable time and delay during grant issuance and help avoid confusion and misunderstanding.

Not all of the pertinent grant information could be standardized. Items such as expiration dates, holder's name, use authorized, land descriptions, special stipulations, etc. would have to be filled in each time.

Additionally, grant preparation should begin near the time draft EIS are filed. The grant preparation team and the EIS team should work together on the decision documents. By the time the Draft EIS is filed, enough is usually known about the project to begin work on the grant. Close coordination would be necessary between the groups to ensure consistency on issues and problems. Extreme flexibility would also be necessary to ensure that the grant could be changed if the decision is not in line with what is recommended in the EIS. Involved groups should recognize that all alternatives are viable until after the decision is made.

OVERALL PERMITTING REQUIREMENTS

Finding No. 16 - There are no Governmentwide Public Information Documents which Outline Responsibilities of all Federal Agencies Involved in Issuing Permits for Energy Facilities.

Finding and Recommendation No. 14 in this Chapter identified the need for public information documents to describe, to applicants and the public, the requirements of BLM in the energy facility permitting process.

During the interviews, personnel from several agencies (BLM, CEQ and COE) stated that the same type of document would be useful on a governmentwide basis. The Office of Management and Budget (OMB) established a task force to work on creation of EMB. As part of their work, the task force compiled a "catalogue" which outlined agency responsibilities pertaining to energy development. However, indications are, that the document was never officially made public. It appears that the "catalogue" would be very helpful in developing such a public information document.

Recommendation No. 16 - The Bureau Should Explore The Feasibility of Developing a Governmentwide Public Information Document on Energy Facility Permitting.

Generally, it appears that a document which outlines Federal responsibilities would be very beneficial for industry, the public, and agencies alike. It is recommended that such a document be developed, preferably by an interagency group. However, some important questions must be answered before the feasibility of this task can be determined. They are:

1. How difficult would it be to keep such a document current?
2. How many Federal agencies already have handbooks or guidebooks which outline their responsibilities?
3. How willing are the other Federal agencies to participate in such an effort?

If it is found that most other agencies have existing handbooks available; that the agencies are unwilling to participate in a joint venture; or that generally, it is not feasible to produce and keep current such a document, then the Bureau should not pursue issuance of such a document at this time.

If, however, it is found that other Federal agencies are willing to participate and that the document can be produced and updated in an efficient and economical manner, then the Bureau should initiate action in this area. The "catalogue" developed by OMB could be used, if available, as a starting point. The Department of Energy's Licensing and siting office is reportedly developing a document of this nature. This may prove to be satisfactory. Feasability of this proposal should be explored by WO Division of Rights-of-Way and Project Review.

Finding No. 17 - Industry is Concerned that Federal Agencies Are Requiring More Data than the Laws and Regulations Imply for EISs.

This has been a particular issue with respect to the provisions of the National Historic Preservation Act and the Endangered Species Act. In the past BLM and other Federal agencies required intensive cultural resource inventories for the entire length of a right-of-way project. This requirement was made even when the amount of Federal land was very minimal. The cost and time involved in producing these inventories has been tremendous. In some instances, the private land required to be inventoried has amounted to 90% or more of the total project.

Similarly, extensive studies for threatened and endangered species have been required by BLM at the request of the U.S. Fish and Wildlife Service.

With regard to endangered species, the requirement for an intensive black-footed ferret survey for the entire length of a 1,200 mile

pipeline has become infamous. Such studies based upon requirements of the U.S. Fish & Wildlife Service, have been complied with to expedite project completion, but continue to be a source of irritation.

Endangered species protection guidelines are governed by the Fish & Wildlife Service.

Because of industry's protests, BLM established interim guidelines in Instruction Memorandum No. 81-29 to address this problem with regard to cultural resources. These guidelines are commonly known as the "rule of reason". In essence the need for intensive cultural resource and threatened and endangered surveys on a right-of-way project is decided by the involved State Director. Requirements on private lands relating to the Antiquities Act are decided in conjunction with the State Historic Preservation Officers.

However, industry is not satisfied with the interim guidelines and little consistency is applied from State to State. This problem continues to cause confusion and delays, further impeding the process.

Industry feels that the interim guidelines still allow the State Director, guided by the State Historic Preservation Officer, to require complete inventories on private land. In most States, the eminent domain powers granted to utilities and pipeline companies by the State law do not include cultural inventories. Thus, BLM requirements for the inventories on private land can create an impasse.

Recommendation No. 17 - BLM Interim Guidelines Should Be Clarified and Issued in Final - and the Department Should Examine the Statutory Requirements and Provide Departmental Policy.

In the short-term, the BLM interim guidelines on cultural resources should be further clarified and issued in final form through regulations or the BLM Manual. The Division of Recreation and Cultural Resources should be assigned responsibility. A similar "rule of reason" approach should be developed for the Endangered Species Program by the Division of Wildlife and Endangered Species in close cooperation wth the U.S. Fish and Wildlife Service. Close coordination between State Offices should occur to insure consistent enforcement of these guidelines.

Finding No. 18 - Concern Exists that the "Scoping Process" is often Ineffective.

There is concern by industry, the public, and agencies about whether scoping provides useful information. Many times, agencies or the public fail to identify problems or concerns early in the scoping process.

Also, industry is concerned that alternatives are identified during scoping that do not merit analysis. This can create excessive burdens on the companies to come up with needed data.

Recommendation No. 18 - BLM Should Develop Guidelines Which Provide for More Effective and Efficient Scoping.

Scoping is required by CEQ Regulations for the administration of NEPA and can be a very effective tool. The WO Division of Planning, Inventory, and Coordination should develop guidelines for more effective scoping. These guidelines should recommend the use of Federal/State/local steering committees during scoping and also set up parameters for screening out "unreasonable" alternatives (including a cost benefit approach) that may arise during of scoping. Scoping, when properly used, should eliminate "unreasonable" alternatives from intensive analysis and identify those alternatives which should be considered.

Scoping, when done properly, is one of the most effective tools available to ensure a quality EIS and saves time and money in the process.

Finding No. 19 - Time Could Be Saved by Beginning Preparation of the Decision Document During The EIS 30-Day Review Period.

On occasion, the Decision Document preparation is delayed by necessity, as in the case of extremely sensitive projects or where public interest is intense. Many times, however, this is not the case.

Most often preparation of the Decision Document is delayed until after the 30-day EIS filing period has passed. Therefore, coordination with the EIS team is minimal because the team has normally been reassigned by that time. There have been some cases where concurrent efforts by the EIS and non-EIS teams have contributed to the efficiency of the EIS and permitting process.

Recommendation No. 19 - Begin Preparation of the Decision Document During The EIS 30-Day Review Period.

Every effort should be made to expedite the permitting process provided that all legal and policy requirements are met and proper husbandry of the land is maintained. Therefore, it is recommended that the preparation of Decision Documents begin during the EIS 30-day review period. Beginning preparation of these documents will help to save time and money and provide for better coordination between the EIS team and Decision Document preparation group. Sensitive or controversial projects may require that the preparation of these documents be delayed. In most cases, however, preparation could be started at the beginning of the 30-day review period.

Finding No. 20 - Currently, Individual Real Estate Appraisals Are Performed for Every Right-of-Way Grant Issued.

Currently, before a permit is granted, an individual real estate appraisal is done for every right-of-way or grant issued to determine the value of land being applied for. Then, the applicant is charged an annual rental fee for use of the land for the grant period based on this appraisal. One appraisal can take up to three weeks to complete. The use of master appraisals has been applied successfully in several states. The Lands Case Processing Study recommends that master appraisals be utilized on a nationwide bases.

Recommendation No. 20 - Perform Master Appraisals on a Broad Geographic basis Where Land Market Values are Similar.

Master appraisals done on a broad geographic basis should be done in those areas where the going market value of the land is similar (e.g., southwestern Wyoming or southwestern Utah). Then, when an individual grant or right-of-way is approved, the appraiser could reference the master appraisal, identify the going market value of the land and charge the applicant the rate based upon the length of the right-of-way.

Because of rapidly escalating land values in some areas of the country, the use of master appraisals would not be appropriate because market values would be changing too fast. However, in areas where prices will remain fairly stable, master appraisals should be utilized.

Finding No. 21 - Recording Application Information on Serial Register Pages and Master Title Plats Causes Delays in the EIS Process.

Once a perfected application is received by BLM, in-house delays occur (as a result of workload backlogs) due to the time it takes to record the application information on the Serial Register Page and on the Master Title Plats. This process normally takes two months. Remaining application processing, including EIS preparation, does not begin until after these actions have taken place.

Recommendation No. 21 - Process Applications and Record Information Simultaneously. In Addition, Use Margin Notations on Master Title Plats Until Grants are Approved.

To save time in processing applications, especially on major energy facility permitting projects, recording information on Serial Register Pages and Master Title Plats should be done simultaneously with other application work including EIS preparation. This would generally allow work to begin on projects immediately rather than delaying the work two or more months.

In addition, marginal notations should be made on the Master Title Plat when the application is received rather than on the plat. Final drafting on the plats should be done when the grant is issued or a finalized center line survey map which complies with the terms of the grant is accepted.

PROJECT FUNDING

Finding No. 22 - It is Often Difficult to Obtain Up-To-Date Records Concerning Cost Accounting for Reimbursable Projects.

The cost accounting for reimbursable funds is presently handled in the BLM Denver Service Center (DSC). Bureau and industry interviewees expressed concern over the difficulty in obtaining an up-to-date accounting of the deposits and expenditures for a particular project. No regular or speedy reporting system exists to keep involved parties informed on the status of the accounts. Often Bureau employees in the

field offices do not know whether enough funds remain in an account to pay for a contemplated action. Some requests made by industry to a State office for an accounting of reimbursable funds, have resulted in the applicant being referred to DSC for an answer. The applicants have expressed interest in knowing how their money is being spent, and what they are getting for that money. There have been instances on a few BLM energy projects where BLM was able to fulfill cost accounting needs to satisfy the applicant, however, most have failed to do so.

Recommendation No. 22 - BLM Should Improve It's Cost Accounting System for Reimbursable Projects to Provide Regular Detailed Reports to Clients.

The Bureau should develop a system to provide regular (e.g., monthly) reports to field offices on the status of reimbursable funds accounts, or a system to provide a status report rapidly upon request. Whenever possible, the applicant should then be furnished with detailed copies of the cost printouts (preferably monthly) to track any work accomplishments. It is especially important to provide a detailed accounting of expenditures in light of the fact that the Bureau is using the applicants money.

The Washington Office Division of Budget should develop this accounting system in conjunction with the Division of Financial Operations in the Denver Service Center. It is recommended that cost accounting techniques similar to those used for the ETSI Coal Slurry Pipeline be developed.

Finding No. 23 - The Bureau is Unable To Provide Assistance To Applicants Until After Receipt of A Completed Application.

Frequently, prospective applicants request the Bureau's assistance in preparing an acceptable application. Under the Bureau's current interpretation of the cost reimbursement requirement, however, BLM cannot accept funds or begin processing a right-of-way proposal until a completed application is received. Therefore, BLM cannot legitimately assist a prospective applicant in preparing an application even if the prospective applicant is willing to pay for this assistance. In some cases applicants have chosen unacceptable routes or sites because of the lack of information. In other cases applicants have submitted incomplete applications. These type of problems have caused extensive delays in processing projects.

Recommendation No. 23 - Identify a Method Through Which the Bureau Can Provide Needed Assistance to Prospective Applicants.

One method of eliminating this situation would be to allow acceptance of a "preliminary" application or a "letter of intent" from the applicant as sufficient notification to begin cost reimbursable work.

The prospective applicant would be required to pay for any work done by the Bureau, but this would enable the Bureau to legitimately assist the applicant in preparing the application. This, would also help to insure that acceptable applications are prepared, thereby avoiding the

need for time-consuming revisions and supplements to unacceptable applications. Preapplication recommendations are explored in more detail in the section Finding and Recommendations Nos. 26 and 27.

Finding No. 24 - Travel Ceiling Limitations Imposed by OMB and Congress, on Reimbursable Funds, Often Cause Project Delays.

Currently, when OMB imposes travel ceilings on the Bureau the restrictions includes reimbursable funds advanced to BLM by right-of-way applicants. In the past, imposition of travel ceilings on reimbursable funds by OMB and Congress has prevented the Bureau from carrying on work that was being paid for by the applicant. BLM's Budget Office indicated that State Offices have been instructed to request exemptions from the travel ceiling for reimbursable work when necessary and that the Budget Office has routinely been granting the exemptions. This policy has alleviated the problem for the present, but it places an additional burden on other Bureau programs which must cut back on travel to compensate for the exemptions granted to reimbursable work.

Imposition of travel and mileage ceilings on reimbursable funds, could seriously curtail BLM's ability to respond to demands for work on energy projects.

Recommendations No. 24 - Formally Request OMB To Exempt Reimbursable Funds from Travel Ceiling Limitations.

BLM Directorate should appeal to the Secretary for assistance in convincing OMB of the need to remove right-of-way related reimbursable funds from travel and mileage ceilings.

REVIEWS

Finding No. 25 - Joint Reviews by All Involved Levels of Government and Shorter Review Periods Would Help Reduce Delays.

The many varied requirements of local, State, and Federal agencies provides for complex review needs on major projects which can be a very lengthy process. The use of a joint review process is the Colorado Joint Review Process (CJRP).

Colorado's Joint Review Process (CJRP) has been successful in bringing local, State, and Federal government and the applicant together on a recurring basis to move major energy and mineral development projects through the multijurisdictional permitting process. CJRP is a voluntary administrative procedure which: 1) coordinates review and decisionmaking processes between and within the three levels of government; 2) provides the general public and special interest groups with additional opportunities to become involved in all phases of project planning, review, and decisionmaking; 3) provides informal forums in which government, industry, the public, and special interest groups have the opportunity to discuss issues and concerns on a regular basis; 4) provides industry with an alternative to conventional methods of obtaining required governmental decisions; and 5) promotes conflict resolution through cooperation and compromise.

Recommendation No. 25 - BLM Should Initiate Action on a Joint Review Process with Other Involved Levels of Government.

A concurrent review by all involved levels of government and shorter review periods would help reduce delays. Western Interstate Energy Board (WIEB) would like to see closer cooperation between States and BLM. WIEB favors a joint Federal-State review team for handling permitting processes for high priority energy projects. Teams could be structured like, and function in a manner similar to the regional coal teams for the Federal Coal Management Program. The joint Federal-State team approach would insure substantive State involvement in the decisionmaking process for major energy facility siting and rights-of-way permitting on Federal lands.

BLM could also attempt to incorporate a joint review process (as used in Colorado-CJRP) which would coordinate review and decisionmaking by all affected agencies. Informal forums involving government, applicants, and the public could be used through this process to discuss issues and concerns and promote conflict resolution through cooperation and compromise.

PREAPPLICATION

Finding No. 26 - Currently, There is No Early Alert Mechanism in Existence Between BLM; other Federal, State, and Local Agencies; and Industry Which Provide Information About Energy Projects.

Currently there is no requirement for the simultaneous filing of applications to all involved agencies. At times, one Federal agency or another will become aware that a project is being proposed but does not share the information. State and local governments have felt "left out" or were brought into the project "late in the game." Industry is reluctant, at times, to notify agencies for reasons of confidentiality, uncertainty, or cost.

Recommendation No. 26 - State Offices should Develop An "Early Alert" Network to Gather and Dissiminate Information on Pending Projects From All Available Sources.

Each State Office should establish good relationships and encourage close cooperation with industry, and other Federal and State agencies. The sharing of information between involved parties can provide an "early alert" network which would benefit all involved parties.

Cooperative agreements which are developed with other agencies should include the requirement for simultaneous filing of applications. These agreements should also include the requirement that, where simultaneous filing is not necessary, the earliest possible involvement should be used to identify critical issues of problems.

Individual agencies (including BLM) efforts should stress cooperation between agencies wherever possible to save additional work and costs in the future. Interagency cooperation should be included as part of the BLM planning effort. The Corridor Study, as an example, is designed to include interagency cooperation.

BLM should attempt to work early with all involved parties (industry and local, State, and other Federal agencies) to insure their active participation and to identify their special concerns and requirements. Preapplication meetings should be used as much as possible. Early alert inquiries should be forwarded to the Washington Office until delegation is made.

Finding No. 27 - The Single Phased Decision Process Which Occurs at the End of an Energy Facility Project has Caused Problems for Applicants in the Past.

In the past, some applicants have applied for a permit, paid for the EIS, and then been denied the grant or right-of-way at the end. Industry feels these situations could be avoided if BLM and other Federal agencies identified obvious "fatal flaws" early in the process that would constitute denial of a permit. Industry would like to see the current single-decision type project management changed to include the early identification of "fatal flaws".

The State of Utah has used an Interagency Task Force (involving affected Federal, State, and local governments) on powerplant sitings which has been useful. This early interdisciplinary task force process has successfully identified sites (Intermountain Power Plant) that will receive regulatory and public acceptability. This process has proved to be an effective forum for identifying, addressing, and resolving potential siting obstacles and fatal flaws early in the process. This process tends to be more of a planning function which facilitates eventual permitting. The Task Force operates on an informal basis within short time frames, but has high level political support (Governor, Secretary of the Interior, etc.).

Recommendation No. 27 - The Bureau Should Review the Decision Process to Identify Where Changes Could be Made.

More detailed preliminary environmental reviews and siting studies by the applicants, prior to filing an application, could help alleviate "fatal flaws". In addition, a phased approach would be of more benefit to the companies. A multi-stage approval process could be established as a standard State office procedure. The first stage would be prequalification, which would screen out sites or routes with "fatal flaws" and result in overall approval of a corridor or site based on a generic EIS and the establishment of mitigation measures. The second stage would seek detailed approval for construction phases, based on detailed engineering and would incorporate required mitigation measures. Differences between generation (sites) and transmission (linear rights-of-way) projects would be taken into account.

BLM should explore the possibility of modifying the Utah Interagency Task Force concept for use in the preapplication stage of a project proposal.

THIRD PARTY CONTRACTING

Finding No. 28 - The Use of Third Party Contracts has Enabled BLM to Address More Projects on a More Timely Basis.

A change in the CEQ guidelines for preparing EISs now permits the use of third party contracts to prepare an EIS. Previously, the agency addressing an action usually prepared the EIS in-house. It was possible to contract environmental work to private firms, but cumbersome government contracting procedures caused delays in completing the EIS. Instruction Memorandum No. 80-5, dated October 2, 1979, authorized the use of third party contractors for EISs prepared by BLM. These contractors are selected and supervised by BLM, but are paid directly by the applicant. The Bureau has taken advantage of this change by using third party contracts on a number of energy facility right-of-way projects.

The use of such contracts has permitted the Bureau to handle more projects on a more timely basis than existing manpower constraints would normally allow. Industry generally supports the use of third party contracts because:

- 1) The applicants can more readily identify how their money is being spent.
- 2) Applicants feel that they have more control over the process, e.g., by offering the contractor a bonus for early completion of the EIS.
- 3) Applicants believe the contractors as less biased and not as susceptible to bureaucratic procedures as BLM and other Federal agencies are.
- 4) Applicants are more accustomed to working with consultants than with the government.

Industry and local, State, and Federal agencies (including CEQ) have been very supportive of the third party contracting procedures where they have been used.

As a side benefit to this procedure, Instruction Memorandum No. 80-212, dated January 9, 1980, authorized the applicants to arrange for private printing of EISs when they were prepared by third party contractors. This also reduced time delays by eliminating the step of going through the Government Printing Office.

Even though third party contracting has been utilized successfully some State Offices have experienced difficulties in letting the contracts. This appears to be occurring because of a lack of Bureauwide guidelines which identify how third party contracting is to be handled.

Recommendation No. 28 - The Bureau Should Encourage the Use of Third Party Contractors and Develop Bureauwide Guidelines.

The use of third party contractors should be continued and expanded. In addition, private printing arranged by the applicant should be encouraged in third party contracting situations.

Guidelines should be established which make the use of third party contracts a standard part of the project evaluation and planning procedures. The guidelines should establish criteria for determining

when contracts should be used, the process for awarding the contracts (including the need for unbiased treatment of potential contractors), and contain instructions for how contracts will be managed. These guidelines should be prepared by the Division of Planning, Inventory, and Environmental Coordination, and should replace Instruction Memorandum No. 80-5. They should also emphasize the importance of BLM maintaining strict quality control in order to avoid criticism concerning the EIS being written by a contractor who is paid directly by the applicant. There is a very real concern by some that third party contractors may be biased toward the applicant.

CHAPTER V - INDUSTRY RESPONSIBILITIES

This Chapter discusses ways industry can help to streamline and make the Energy Facility Permitting Process more efficient and effective. To some extent, BLM is dependent upon an applicant for information during various phases of the projects. Two categories where industry can assist are explored in this Chapter. They are:

- o Exchange of Information
- o Changes in Proposed Action and Alternatives

EXCHANGING INFORMATION

Finding No. 29 - Delayed Responses to Information Requests made to Industry Has Caused EIS Preparation Take Longer.

In the past, delays have occurred in processing energy projects because BLM has had to wait to receive important information which is required by law about a proposed action or alternative from the applicant. This situation occurs most commonly during the preapplication stage. Frequently information requests are made but the data is not received for weeks or even months. This causes obvious delays in the process costing both extra time and money and can result in missed deadlines.

Frequently, industry feels that there is a need for confidentiality because of intense business competition. When this happens there are further delays in providing information. In such cases the applicant should expect project delays and realize that this is a cost of doing business.

Another factor which can cause delays in the handling of large complex energy projects is the utilization of a "piecemeal" approach. The piecemeal approach makes it difficult to assess the overall magnitude of a project in the beginning and can result in further delays along the way.

In the Overthrust Belt of Wyoming for example, some projects have been presented one segment at a time e.g. one sweetening plant at a time. Each small segment has required only an EAR as environmental review which does not present an assessment of the total impact which an EIS would provide. This makes it very difficult to assess the social/economic impacts of an entire project. When local communities are unable to plan for the impacts on schools, parks, sewers, housing, etc., the results may be chaotic living conditions which produces an unstable labor market. The ultimate cost to the applicant may well be greater than if full disclosure had been given.

NEPA requires the analysis of the impacts of an entire project. Failure to comply with this requirement could result in expensive law suits.

Recommendation No. 29 - Applicants Should Provide Requested Information Within a Reasonable Time Frame.

Personnel in State Offices who deal with industry should stress the importance of providing information in a timely manner and further, identify the ramifications of not doing so. Preapplication is an important period in the permitting procedure and, when properly used, can avoid major problems and provide for the most efficient use of available personnel.

In addition, applicants should also try to present overall project plans as one entire package rather than presenting early as possible plans on a piecemeal basis.

CHANGES IN PROPOSED ACTIONS AND ALTERNATIVES

Finding No. 30 - Changes to Projects Made By Applicants Causes Delays in the Permitting Process.

Frequently, applicants find it necessary to make changes to major energy projects after the project is well underway or nearing completion. These changes normally result in the need for additional data and require the expenditure of extra time and money.

On a certain powerplant project, the applicant made significant changes in the proposed action when the DEIS was almost ready to be printed. These changes included a switch in the way the coal was to be transported from the source to the powerplant. Completely new data and analysis needs and responsibilities were thus required for the EIS team which made it impossible to meet the original schedule (with considerable effort, the draft was completed one month late). In other energy transportation projects, the applicant has made major changes, such as switching markets (destinations) or even modes of transportation while the EIS was being written. As a consequence, delays were caused corresponding to slippages in time scheduling.

Recommendation No. 30 - Applicants Should Minimize Major Project Changes Midstream.

There is a very real need for project design changes. Frequently, these occur as a result of findings during the environmental assessment. Other changes may be a result of technological change, variations in the market, or availability of capital.

Significant midstream changes will result in increased costs and a slip in schedule deadlines. Applicants should accept the fact that the entire project will be delayed by a major change. Although this should be self evident, there are nonetheless hard feelings directed at BLM when the original schedule is not met, even though there have been significant changes. It should be written into the preparation plan, agreed to by all involved parties, that major revisions to the project proposal will result in major revisions to the schedule. Large scale revisions will be treated as a new application and the timing for all future actions will be adjusted accordingly.

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TRACKING/COMMUNICATION SYSTEMS

I. Purpose

- A. The purpose of a BLM tracking/communication system for energy projects is not to provide preferential treatment or to enforce especially expedited schedules for some projects, but rather to assure that unnecessary delays or inefficiencies do not develop for the projects being tracked. Projects selected for tracking should include those which, because of their complexity, magnitude, etc., are most likely to need close attention or participation at policy levels of the Bureau and the Department to prevent delays or inefficiencies in making decisions on whether or not a project should be approved.
- B. A tracking system should serve managers' needs to:
 - 1) identify in advance critical points in a decision process where their participation will be needed to provide policy direction and assure that the outcome of the process will be a quality product, 2) provide timely warning when problems, controversy or unforeseen decision points arise in a decision process, and 3) provide periodic reassurance that a project is on schedule when that is the case.

II. Background

- A. The Under Secretary's September 3, memo creating a Departmental Critical Energy Facilities Coordinating Committee, assigned the committee the responsibility for developing procedures including a tracking system for scheduling, tracking, and coordinating selected energy projects. The coordinating committee has met to discuss projects like the Allen-Warren Valley Energy System, but it has not created any tracking system to supplement the Critical Issues Management System (CIMS) reporting process already in effect.

In the absence of a Departmental system in place, the working group has discussed what the Department's threshold criteria for "critical" energy projects might be with staff of the Department's Executive Secretary and the Office of Policy Analysis, as well as basic assumptions on the purpose and thrust of any tracking system. The absence of a Departmental system in place gives BLM the opportunity to help design the system at the Departmental level.

When he established the coordinating committee, the Under Secretary rejected options which would have centralized responsibility for energy projects in the Department, as

being inappropriate and inconsistent with the line authorities of Departmental officials. He made it clear that the purpose of the committee and its tracking system would be to serve as a procedural forum to identify and resolve problems, not substitute for program officials in managing projects.

- B. Within the BLM, actions have been taken which both increase and decrease the amount of information available in Washington about the status of various projects. Some projects have been designated for special attention by the Office of Special Projects, which means they are intensively managed and subject to regular reporting and discussion to at least the Directorate level or, if they are designated as CIMS projects, the Secretarial level. On the other hand, the delegation to field officials of authority to approve environmental impact statements for some projects, has resulted in substantially less information being available in Washington on the status of field managed projects. Some of these projects have encountered difficulties which caused the decision schedule to slip without the benefit of knowledge or potentially helpful intervention on the part of Washington Office officials.
- C. There will be continued pressure on the BLM to develop an effective tracking system for monitoring progress on major energy projects - both to improve BLM's internal management capability and to help support Departmental level tracking in the future.

III. Considerations in Designing a Tracking System

- A. The viability and effectiveness of a tracking system will depend on whether it is suitable for actual use by managers in managing projects. If a system does not provide the kind of information a manager actually needs, it may become an empty or misleading reporting exercise that wastes the participant's time, and feeds a false sense of security about projects. Similarly, a system must actually be used and provide real feedback (i.e., information results in action being taken) from those receiving information to those providing it if there is to be any incentive to provide candid, accurate reports.
- B. Levels of management - While the substance of the information needs of various levels of management may be very similar (e.g., whether or not a project is on schedule or the nature of the problems and what will be needed to solve it), the level of detail reported, and possibly the type and number of projects covered, may vary according to different levels of management served. Levels could include everything from a BLM Division Chief or State Director to the Secretary.

- C. The tracking system should be sufficiently flexible to realistic project schedules and actions when circumstances change, instead of emphasizing rigid adherence to schedules which are no longer realistic so as to retain or enforce accountability. The management climate should encourage and reward candor in reporting problems instead of using a tracking system to document unsatisfactory performance.

IV. Projects Tracked

- A. Criteria or factors to be taken into account in deciding when a project should be tracked:
1. An EIS is required (NEPA sets criteria).
 2. A Secretarial decision is involved (301 DMI has criteria).
 3. If decisionmaking authority is divided among various agencies (Interior, Federal, other political jurisdictions).
 4. If there are large social, economic, or environmental impacts which appear, on the basis of readily available information, to be associated with the project.
 5. Extent to which treatment of a particular project sets a precedent for future projects of the same type.
 6. Extent to which the project raises major controversial issues which need to be taken into account in determining whether to approve or disapprove the project.

Criteria cited in the DM overlap some with each other and 4, 5, and 6.

- B. Departmental. BLM may wish to recommend that the Department consider tracking facilities which meet all or some combination of these criteria. Entering a project in a Departmental tracking system can be of assistance to BLM or Interior, or other Federal agencies that have responsibilities for a part of the decision process.
- C. Definition of a Project. Some projects may involve related actions - like leases, water projects, transmission lines, etc. In deciding whether or not related facilities should be considered part of a project for tracking purposes, it is important to consider the extent to which the various elements have independent utility.
- D. When to Start and Stop Tracking. A tracking system can be helpful as soon or as late as there are a series of identifiable management actions required, regardless of whether these actions are solely the responsibility of the Bureau or to be taken in cooperation with other authorities. How soon in the preapplication phase management actions become necessary, may vary from project to project, depending on the issues involved, other agencies, etc.

V. Early Alert System

- A. A great deal of information is currently available which could help BLM anticipate what major energy projects are likely to be subject to an application in the near future. There is currently no orderly way to display or share this information. Some of the available sources of information include:
 - 1. DOE
 - 2. EPA
 - 3. Utility groups
 - 4. Cooperative efforts could be initiated, as with the corridor study, to build on available information
 - 5. State agencies such as PUC or Department of Energy
- B. BLM needs to obtain the information anyway, in order to improve its planning capability, project coal program developments, etc. (The Federal State Coal Advisory Board has recommended that additional industry and DOE input on long range plans and projects be gathered for the benefit of regional coal teams).
- C. Problems with actions in preapplication phase.
 - 1. The BLM cannot be certain when an application will be filed until it is actually received. Example - Pacific Coast Pipeline.
 - 2. The BLM cannot get reimbursed for preapplication expenditures because reimbursement is triggered by a formal application.
- D. The kinds of actions that can be tracked before, as well as after application are:
 - 1. Management decisions like:
 - a. Designation of lead agency for an EIS, possibly involving negotiations with other agencies or CEQ.
 - b. Preapplication consultations with other agencies with permit or consultation responsibilities to create consolidated decision processes (example - Colorado joint review process), create special steering committee arrangements, or identify problem areas requiring special handling.
 - 2. Program decisions like:

- a. Preliminary assessment of major issues which could preclude or retard eventual project approval and initiation of steps possibly leading to negotiations at the policy level with applicants or other concerned parties (e.g., - IPP).
- b. Negotiations with applicants or other agencies on critical issues.

VI. Tracking System Design

- A. Procedural milestones in a decision process for rights-of-way and similar permits are mostly the same, regardless of project. They are:
 1. Scoping meetings
 2. Preparation plan for Environmental Impact Statement (EIS)
 3. Preliminary Draft EIS
 4. Draft EIS
 5. Hearings
 6. Final EIS
 7. Decision (possibly supported by a Secretarial Issues) Document
- B. In addition to procedural steps, the major elements that make projects different are:
 1. The nature of the major substantive issues which must be assessed preparatory to a decision (e.g., water, wilderness, national parks).
 2. The number and variety of stakeholders in the decision who will be participating in the process (e.g., more than one State affected, specific groups or interests affected).
 3. The number of agencies, Federal and State, who have decision authority or substantial influence on the project's viability (e.g., EPA, PSD permit, FERC certificate, State water rights, etc.).
- C. In order to satisfy the five basic purposes of a tracking system (see II. B.), elements of a decision process which relate to definition and resolution of issues, consultation with affected parties, and coordinated decisionmaking by various agencies, need to be built into the project schedule at the outset and thereafter, and be subject to reporting thenceforth.

For example -

1. When consultation at crucial points with key participants in a decision process is essential to keeping a project on schedule, the result of the consultation should be reported to management.

2. If the actions of other agencies have the potential to affect the timing of BLM or Departmental decisions, early warning of slippage in other agency's schedules will be essential so that policy level negotiations can be held if appropriate.
3. If there are differences among experts as to the validity of data, analyses, or projections regarding a project's impact, steps necessary to resolving or at least defining differences, need to be built into the EIS preparation plan.

VII. Reporting Systems

A. Involves:

1. State Directors to Assistant Director, Lands and Rights-of-Way and the Office of Special Projects
 2. Lands and Rights-of-Way and the Office of Special Projects to the Director
 3. The Director to the Assistant Secretary, Land and Water Resources
 4. The State Directors to the Director, directly
- B. Somebody needs to be responsible for managing the results of what the tracking system reports, as well as managing the reporting system. This should be the same person - the person who is responsible to the Director, and answerable for keeping on top of the project. Otherwise, the system will not have incentives to report good information.
- C. Need not be the same person responsible reporting to the Director and writing/reformatting information for the Secretary.

D. Options:

1. Field to Washington Office
 - a. All to the Assistant Director, Lands and Rights-of-Way
 - b. To the Assistant Director, Lands and Rights-of-Way and to Chief, Office of Special Projects
 - c. To other
2. Director to the Secretary
 - a. Assistant Director, Lands and Rights-of-Way
 - b. Chief, Office of Special Projects

- c. Assistant Director, Lands and Rights-of-Way and the Chief, Office of Special Projects
- d. Executive Secretary
- e. Assistant Director, Lands and Rights-of-Way and Chief, Office of Special Projects via the Executive Secretary edit (as w/ CIMS)

CHAPTER VII - CONCLUSIONS

Processing of rights-of-way for energy-related projects involves two basic procedures. Environmental review of the proposal and issuance of the right-of-way grant. Frequently, major energy proposals have met lengthy delays during either or both of these procedures. These delays have resulted in cost increases and frustration to all parties involved. At the request of the Director a study team was formed to determine what improvements could be made to make the process more efficient and effective.

Energy Facility Permitting has, for a number of years, been a topic of "studies" by various governmental agencies, most notably the Department of Energy. Most of these studies however, have been aimed at addressing complexities of the permitting process and problems associated with overlapping requirements of various governmental bodies. This report is aimed at what was felt to be the heart of the matter - the day-to-day problems associated with performing an acceptable environmental review and of processing the paperwork needed to legally grant a right-of-way.

CONCLUSIONS AND RECOMMENDATIONS

Although it was the fervent desire of most persons associated with this study to find a "miracle cure" that would sharply reduce processing time, such was not the case.

It was determined, however, that several individual steps had already been taken which, when put to use, had the effect of drastically reducing processing time and costs for both the environmental review and right-of-way grant issuance.

These recent improvements include:

- °Use of third party contractors for EIS preparation and printing.
- °Delegation of EIS filing authority to State Directors and right-of-way granting authority to District Managers.
- °Creation of the Office of Special Projects.

The importance of emphasizing these existing changes is that not all of these improvements have yet been fully implemented in every BLM State office nor are all applicants aware that these time saving techniques are available. To be fully effective, they must be put to use.

The study team identified thirty recommendations for improvement. These recommendations are grouped in three categories: Management of Energy Projects, Procedures for Processing Energy Projects, and Industry Responsibilities. Some of these recommendations are already in use in some states or offices. They are listed in this study in order to encourage their use by all offices. The recommendations are not designed to require large expenditures of money or personnel nor do they call for a major overhaul of existing systems. They will, however, provide for substantial savings in time and cost to the applicant and BLM alike.

The basic thrust of these recommendations is to set into action certain processes, procedures and changes that will further shorten, simplify, and standardize the process and facilitate faster processing of applications, increase the awareness of all involved parties of critical issues and reduce internal organization and systems problems which arise as a result of these projects. The recommendations when implemented, will include:

- Standardized grants, stipulations, applications, public information documents, and procedures which will make it easier for industry and applicants in general to deal with the permitting process across multi-state lines.
- The use of master appraisals, early preparation of decision documents, more effective scoping, early assistance to applicants, and the simultaneous processing of applications and recording of information on plats will all facilitate the faster processing of applications which will, in turn, save time and money.
- A Departmental Coordinating Committee; a Tracking/Communication System; coordination meetings between agencies; and early alert mechanisms should help all involved parties to develop an awareness of the critical issues and reach an early resolution to those problems.
- Finally, role clarification, clearer reporting of fund expenditures, review of the decision process and other such recommendations are directed toward rectifying internal organization and systematic problems.

IMPACTS OF RECOMMENDATIONS

The implementation of the recommendations of this study will have a variety of impacts upon the process and the organization. As mentioned before, some of the recommendations are already being carried out in various places throughout the Bureau. Thus, some recommendations will have to be implemented more fully than others. All of the recommendations will have some benefit to one of the involved parties in the process, e.g., BLM, applicants, etc. The majority of the recommendations will benefit both BLM and the applicant. Some of the recommendations will benefit all of the parties, e.g., BLM, other Interior bureaus and agencies, other Federal agencies, State agencies; and the applicants as well. Exhibit I depicts a very general picture of whether each recommendation will benefit the involved parties. It does not attempt to access the overall degree of benefit nor the cost of implementing the recommendations. The majority of the recommendations will not require a large expenditure of funds or manpower to implement. The full implementation of Recommendation No. 9 (designation of utility corridors) could be very costly in terms of commitments of manpower and money, and would take a number of years to implement. However, if these designated utility corridors were then utilized by industry, (applicants) it should result in a dramatic savings to the applicants and the public alike. Several of the recommendations will lead to a savings of processing time which in turn would save the applicants time and money. In summary, the implementation of the recommendations of this Study would result in considerable savings in time, personnel and dollars to both BLM and the applicants for rights-of-way. The ultimate beneficiary would be the taxpayers and energy consumers.

ORGANIZATIONS THAT COULD POTENTIALLY
BENEFIT FROM RECOMMENDATIONS

Recommendation No.

Organization	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Bureau of Land Management	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+		
Other Interior Bureaus & Agencies	+		+	+	+	+				+	+	+								+										
Other Federal Agencies		+		+	+	+				+	+	+								+										
State Agencies		+			+	+				+	+	+								+										
Applicant		+		+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	+	

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